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VIA EMAIL

September 25, 2020

Ms. Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
rule-comments@sec.gov

Re: Reporting Threshold for Institutional Investment Managers, Release No. 34-89290; File No. S7-08-20

Dear Ms. Countryman:

On behalf of DMC Global Inc., I am writing to express our opposition to the Securities and Exchange Commission's (SEC) proposed amendments to the Form 13F reporting rules for institutional investment managers. In the proposing release, the SEC suggested the updated reporting threshold would promote the goals of Section 13(f) by increasing investor confidence in the integrity of the U.S. securities markets. We do not believe limiting transparency into the ownership of public companies will further those goals.

We believe the proposed changes would have the largest impact on small-cap companies such as DMC Global Inc. There currently are 211 institutional holders of DMC Global Inc. Of those, 49 would no longer have to file a 13F under the SEC's proposed higher reporting threshold. This represents 23% of our institutional shareholder base, but more importantly, it represents a majority of the active institutional investors with which we regularly communicate. The rule change would significantly impair our ability to identify and engage with non-passive investors, and we would lose the ability to measure the effectiveness of our investor relations efforts. The change also would hinder our ability to effectively target investors predisposed to understanding and appreciating our business model, strategy and size, and would increase the risk of ambush activism as we would be unable to track activist investors that may be building a position in our stock. Public companies such as ours and the broader U.S. securities marketplace are not well served by providing anonymity to so many institutional investment managers. We cannot effectively engage with our shareholders when we do not know who they are.

In addition, the proposed rule changes would put additional pressure on the sell-side research industry, particularly those analysts covering small and micro-cap companies. Through their corporate access programs, these firms play an important role in introducing institutional investors to the management teams of the companies they cover. We have discussed the proposed rule change with each of the analysts who cover DMC Global Inc., and all stated the modification would likely have a negative effect on their corporate access service offerings, putting additional pressure on the sell-side research industry.



We ask that the SEC consider the full implications of these proposed rule changes, and instead refocus its efforts on the modernization of the Form 13F disclosure regime to improve transparency. The need for effective shareholder engagement is more important than ever, and this proposal would be a tremendous misstep at a time when shareholders are increasingly calling for greater transparency. As such, we urge the SEC to withdraw this proposal.

Sincerely,

Geoff High
Vice President of Investor Relations